

SOUTH MOUNTAIN FREEWAY (SR-202)



P3 Initiatives

REQUEST FOR INFORMATION

P3-14-02

February 2014

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1. INTRODUCTION

1.1 PURPOSE OF THIS REQUEST FOR INFORMATION

The Arizona Department of Transportation (“ADOT”) hereby invites interested parties to respond to this Request for Information (“RFI”) regarding a prospective future solicitation to:

Develop and deliver a freeway system expansion in Maricopa County (“South Mountain Freeway” or “Project”) using a Public-Private Partnership (“P3”) framework to design, build, and potentially finance, and/or maintain the Project.

The purpose of this RFI is to seek the industry’s perspective and feedback on the questions presented herein and to provide an opportunity for industry input on the overall procurement process for the Project. Interested firms and parties are strongly encouraged to submit responses with detailed comments. The information contained in the responses to this RFI will help ADOT progress planning and development efforts for the Project, and help confirm or refine ADOT’s project procurement, financing and delivery approach, and may result in the launch of a formal procurement.

1.2 EFFECT OF THIS REQUEST FOR INFORMATION

This RFI is an inquiry only, intended solely to assist ADOT on an administrative level, and is not a formal solicitation or initiation of a procurement process. Submissions will not be evaluated. No contract or agreement will be entered into as a result of this RFI.

This RFI does not represent a commitment to issue a Request for Qualifications (“RFQ”) or a Request for Proposals (“RFP”) in the future, or a commitment that a subsequent procurement, if any, will follow any delivery approach described herein. Therefore, those choosing to respond to this RFI will not, merely by virtue of providing any manner of response, be deemed to be “bidders” on the Project in any sense.

Submission of responses is not a prerequisite for participating in a future procurement. Such participation would be subject to demonstrating satisfaction of the criteria stipulated in potential subsequent solicitation documents. Participation in this RFI and ensuing Industry Forum, or an election not to participate, will not confer on any Respondent any preference, special designation, advantage or disadvantage whatsoever in any subsequent procurement process related to the Project.

The South Mountain Freeway is only a potential project at this time and remains in the environmental process. No record of decision (ROD) has been obtained. Additional alternatives, including a no-build alternative, are being considered in the environmental process and it is possible that the Project scope may be modified through the environmental process or that a no-build alternative may be adopted. Nothing contained in this RFI is intended to modify, limit or otherwise constrain the environmental process or commit ADOT or any other entity to undertake any action with respect to the South Mountain Freeway, including any action to procure, design or construct a potential project.

1.3 SUBMISSION REQUIREMENTS

ADOT welcomes responses to this RFI from independent companies or corporations, or from consortia or partnerships, that have a potential interest in acting as lead developers, design-build contractors or equity investors for a P3 (“Respondents”). ADOT is interested in the maximum amount of constructive comments. It is not necessary for Respondents to respond as the consortia or partnerships which are planning to submit future bids, although ADOT is interested in being informed as to the formation of any future bidding groups for work on the Project. Such information will not be binding on the Respondents.

Organizations that do not expect to act as lead developers, design-build contractors, maintenance contractors, or equity investors for a P3 (e.g. providers of engineering and specialty construction or maintenance services; and/or lenders, legal or financial advisors, or other providers of professional services) are encouraged to participate in an RFI submission as part of a team that includes such Respondents. Please see Section 7.8 below entitled “Organizational Conflicts of Interest” for additional limitations on entities and individuals who will not be eligible to participate in an RFI submission.

1.4 SUBMISSIONS, QUESTIONS AND COMMENTS

Respondents shall submit 1—original paper copy and 6—CDs with pdf documents on, of the requested information. Please enable the Commenting or User Rights Feature on the pdf documents. Adobe Professional Version 7 or above may be used for this purpose. As respondents may utilize different versions of Adobe, consider using an internet search engine or Help feature of the specific Adobe program to find instructions on how to enable comments.

Respondents are required to comply with the page requirements stipulated in Appendix A (Questionnaire) and to restrict their submissions to a short letter of transmittal, together with the information specifically requested on the Questionnaire. ADOT requests that the letter of transmittal include the firm name, reference RFI P3-14-02, and name, title and contact information of the person responsible for interfacing with ADOT. Marketing materials are not to be submitted as part of a written response.

Respondent’s submission shall be delivered to the following address, in sufficient time so that ADOT receives it no later than 2:00 p.m. Mountain Standard Time on February 25, 2014:

Contracts & Specifications Section
1651 West Jackson
Phoenix, AZ 85007

Your ‘Firm/Consortium Name’ and ‘RFI P3-14-02’ must be clearly indicated on the outside package and on the submission cover. Late submissions may not be considered.

Any questions concerning this RFI should be directed to ADOT Engineering Consultants Section. Email questions to ldelamore-crum@azdot.gov and cc: stellez@azdot.gov. Interpretation of this RFI or additional information will only be given by written amendment to this RFI from ADOT’s contact person named above.

1.5 INDUSTRY FORUM

This RFI is intended, in part, to provide an opportunity to receive industry feedback prior to and at an Industry Forum and associated one-on-one meetings with industry participants. The Industry Forum is scheduled for Thursday, February 27, 2014 from 10 AM – 12 Noon in the ADOT Auditorium located at 206 S. 17th Avenue, Phoenix, Arizona. At the Industry Forum, ADOT intends to present the latest Project status. Space is limited so please RSVP to P3Office@azdot.gov no later than February 24, 2014 and include in the RSVP the number of attendees from your company or consortium. Please try to limit your attendance to three to four people, if possible.

Respondents are encouraged to request a one-on-one meeting to discuss their responses and provide further input to ADOT in conjunction with the scheduled Industry Forum. One-on-one meetings will be held from 2:00 – 5:30 PM on February 27, 2014 and from 9:00 AM – 5:30 AM on February 28, 2014. There will be a limited number of available one hour one-on-one meetings and Respondents must submit a request by 5:00 PM Phoenix time February 18, 2014 to P3Office@azdot.gov. ADOT intends to conduct as many one-on-one meetings as possible, time permitting. However, ADOT does not guarantee a one-on-one meeting and will determine with whom to meet at its discretion. Respondents will be notified of acceptance of a one-on-one meeting by 5:00 PM Phoenix time on February 24, 2014.

2. ADOT PROJECT OVERVIEW

ADOT and the Maricopa Association of Governments (“MAG”), the designated metropolitan planning organization for transportation planning in the Maricopa County region, are pursuing the construction of the South Mountain Freeway in the southwestern portion of the Phoenix metropolitan area. The proposed Project would constitute a section of Loop 202 within the regional freeway and highway system. The locally preferred option (a combination of the W59 and E1 Alternatives) is shown in Figure 1 below.

FIGURE 1. LOCATION MAP



The Project was originally included in the proposed 232-mile MAG Regional Freeway System (RFS). As planned in 1985, it represented a major element of the region's freeway loop, or beltway system, traversing the project area. It was originally called the Southwest Loop and was an integral piece of the RFS approved by Maricopa County voters in the 1985 ½-cent sales tax referendum. In 1988, ADOT completed location/design and state-level environmental studies for the Southwest Loop. In 1988, the State Transportation Board approved the alignment of the Southwest Loop and added it to the State Highway System.

In November 2003, MAG developed the multi-modal Regional Transportation Plan (RTP), covering the period through 2026. In November 2004, the voters of Maricopa County approved Proposition 400 allowing for a 20-year extension (through December 31, 2025) of the ½-cent sales tax to fund the proposed improvements in the RTP, including the South Mountain Freeway.

2.1 NEED AND PURPOSE FOR THE PROJECT

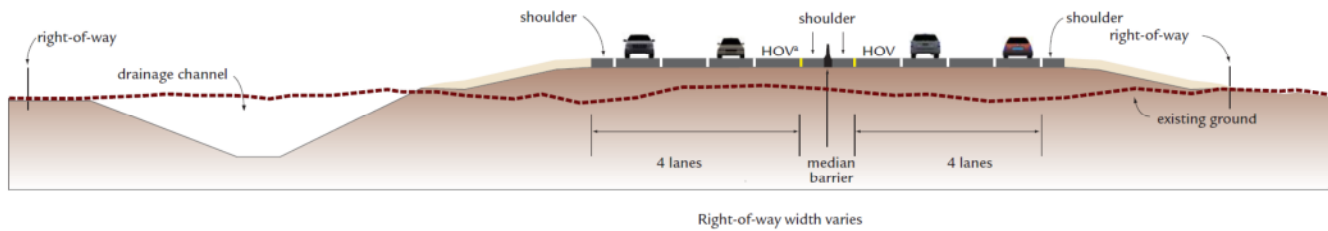
The purpose of the proposed Project is to address these transportation deficiencies by providing additional regional mobility and capacity by linking regional freeways in the eastern and western portions of the Phoenix metropolitan area. The connection would further optimize system continuity and the effectiveness of individual network components, which are important to overall transportation operation. The proposed freeway would reduce the duration of congested conditions on most adjacent freeways, improve travel times throughout the region, and attract trips from the arterial street network.

2.2 DESIGN ELEMENTS OF THE PROJECT

The Project would complete the Loop 202 from I-10 (Maricopa Freeway) (milepost MP 54.31) to I-10 (Papago Freeway) (MP 75.91), a distance of approximately 22 miles, in the southwestern quadrant of the Phoenix metropolitan area. It would begin at its eastern terminus with the existing system traffic interchange between I-10 (Maricopa Freeway) and Loop 202 (Santan Freeway). From this point, it would travel westward on the Pecos Road alignment for approximately 8 miles before heading northwest for approximately 5 miles to a point near the existing Elliot Road and 59th Avenue intersection. The freeway would head northward for approximately 9 miles, crossing the Salt River, and reach its western terminus at a new system traffic interchange with I-10 (Papago Freeway) near 59th Avenue. The new system traffic interchange would include a direct high-occupancy vehicle (DHOV) ramp connection to and from the east on I-10. The design of the system traffic interchange at I-10 is being coordinated with the high-capacity transit corridor planned for I-10.

The proposed roadway typical section consists of eight-lanes with three general purpose lanes and one high-occupancy vehicle (HOV) lane in each direction (see Figure 2). The travel lanes and inside and outside shoulders would be 12 feet wide and paved with Portland cement concrete pavement (PCCP). The PCCP would be overlaid with asphalt-rubber/asphaltic-concrete friction course. The median would be closed with a concrete median barrier dividing the directions of travel. Entrance and exit ramps will use a parallel-type configuration coupled with auxiliary lanes between service traffic interchanges, as warranted. The freeway main line design primarily features a rolling profile with the freeway rising above grade to cross over the crossroads.

FIGURE 2: TYPICAL FREEWAY SECTION



Diamond-type interchanges were assumed at typical locations because they are common in the area, are cost-effective, and provide adequate level of service for the projected traffic conditions.

The eastern section of the freeway alignment has off-site drainage that would be passed under the freeway. The existing culverts that pass under Pecos Road would be extended or replaced to maintain existing flow characteristics. Small retention basins would be located north and south of the freeway to retain flows and treat freeway runoff. The western section of the freeway alignment has off-site drainage that would be collected and conveyed by a channel located on the east side of the freeway and includes detention basins with out-falls to the Salt River or the Laveen Area Conveyance Channel.

The proposed Project would potentially impact several high-voltage overhead transmission power lines operated by Salt River Project (SRP), Arizona Public Service, and Western Area Power Administration, Kinder Morgan and El Paso Natural Gas petroleum pipelines, SRP irrigation pipes and channels, and City of Phoenix water, storm, and sewer lines. The proposed Project and 59th Avenue frontage roads would also pass over Union Pacific Railroad facilities on grade-separated structures.

There are more than 50 proposed bridge sites along the freeway corridor. Notable bridges include the Salt River Bridge, which is over 3,000 feet long, multiple bridges over the Union Pacific Railroad, and the north-to-west, east-to-south, west-to-south, and Dual HOV flyover ramps at I-10 (Papago Freeway) which would be constructed over active traffic. There are also five multi-use crossings proposed in the area of the South Mountains.

2.3 STATUS OF THE PROJECT

On April 26, 2013, a notice of availability for the South Mountain Freeway Draft Environmental Impact Statement (DEIS) was published in the Federal Register. This notice began a 90-day public comment period. During the comment period, a public hearing was held on May 21, 2013, at the Phoenix Convention Center; numerous other community outreach events were also held. The public comment period ended on July 24, 2013.

The study team is currently responding to public comments received during the 90-day comment period and evaluating technical updates. Each comment along with response and technical updates will be published in the Final Environmental Impact Statement (FEIS). It is anticipated that the FEIS will be available for public review for 60 days beginning sometime during the Summer/Fall of 2014. The Record of Decision (ROD) is anticipated sometime in the Fall/Winter of 2014. These dates are subject to change.

At the same time as the DEIS publication, the study team also submitted the Initial Location/Design Concept Report (L/DCR) to ADOT technical groups and agency stakeholders.

2.4 PROJECT SCHEDULE

The following is a preliminary schedule if an innovative procurement is pursued.

<u>Milestone</u>	<u>Date</u>
Publish RFQ	1 st quarter 2014 or 2 nd quarter
Evaluation and Short Listing	2 nd quarter 2014 or 3 rd quarter
Publish Final RFP	3 rd quarter 2014 or 4 th quarter
Contract Award/Commercial Close	1 st quarter 2015 or 2 nd quarter
Financial Close	2 nd quarter 2015 or 3 rd quarter
Begin Design and ROW Acquisition	1 st quarter 2015 or 2 nd quarter
Begin Construction	2 nd quarter 2015
Complete Construction	3 rd quarter 2018

2.5 ADDITIONAL INFORMATION

Additional amendments or solicitation information regarding the Project will be posted at [http://www.azdot.gov/business/engineering-consultants/advertisements/public-private-partnership-\(p3\)-initiatives](http://www.azdot.gov/business/engineering-consultants/advertisements/public-private-partnership-(p3)-initiatives). Respondents are encouraged to monitor this site for any future solicitation information related to the Project.

3. TECHNICAL CONSIDERATIONS

3.1 DESIGN AND CONSTRUCTION APPROACH

The overall South Mountain Freeway program is being managed by ADOT. To assist in program implementation, ADOT has retained a Program Management Consultant (PMC) to serve as an extension of staff to support all phases of program development. The Project is being considered for implementation using alternative delivery techniques.

3.2 MAINTENANCE APPROACH

See Sections 6.3.1 and 6.3.2 below for descriptions of potential approaches to Project maintenance. ADOT will retain ownership of all capital assets.

3.3 SAFETY AND SECURITY

Safety and security are of prime importance. All elements of the Project must be designed, constructed, operated, and maintained in a manner that is consistent with this safety objective.

4. FINANCIAL OVERVIEW

4.1 PRELIMINARY COST ESTIMATES

The estimated capital cost for the Project is approximately \$1.813 billion. Table 1 summarizes the Project estimated capital costs:

Table 1 –Estimated Project Cost

<u>Element</u>	<u>Estimated Project Cost</u>
Owner Management Costs	\$55 m
Final Design and professional services	\$55 m
Utility Relocation	\$63 m
Construction	\$1.04 b
ROW Acquisition	\$600 m
Overall Capital Cost	\$1.813 b

4.2 PUBLIC FUNDING SOURCES

ADOT's Baseline Financial Plan allows for substantial completion of the South Mountain Freeway Project on or about June, 2021. ADOT anticipates funding the Project from a number of sources, including Federal Highway Funds, Regional Area Road Funds (RARF), State Highway Funds, and Bond Funds. ADOT's Baseline Financial Plan anticipates that it can support expenditures for the South Mountain in the approximate following amounts (millions of dollars) in each of the following Fiscal Years:

Table 2 - Funding

<u>Fiscal Year</u>	<u>Funding</u>
2014	\$136
2015	\$147
2016	\$414
2017	\$235
2018	\$280
2019	\$350
2020	\$119
2021	\$123
2022	\$ 9
Total	\$1813

If ADOT chooses to finance the Project entirely with public financing (under the project delivery method described in Section 6.3.1 below), these federal grants, highway revenues and RARF sales tax revenues will be used to fund progress payments during design and construction, and ADOT would use financing tools available to raise the additional funds needed to pay progress payments and all other capital costs under an accelerated delivery schedule. These tools may include TIFIA financing under which ADOT would act as borrower and pledge post-completion highway revenues to repayment.

If ADOT chooses to accelerate Project delivery using a P3 that includes private financing (under the project delivery method described in Section 6.3.2 below), then ADOT anticipates using these federal grants and RARF sales tax revenues to make milestone payments to the developer upon the completion of specified construction milestones related to eligible Project improvements. Specifically, ADOT currently anticipates appropriating up to \$1.34 billion between through FY 2019 in available pay-go funding to meet eligible project costs. This amount may be structured as a milestone payment(s) to the developer and will be used to directly offset the financing requirements that the developer would be responsible for arranging. The remaining financing requirements to be arranged by the developer to meet total project costs is estimated to range from \$400 million to \$800 million.

4.3 PRIVATE FUNDING SOURCES

ADOT recognizes that access by the developer to private activity bonds for transportation projects and federal credit assistance or loan programs such as the Transportation Infrastructure Finance and Innovation Act (TIFIA) may be helpful in lowering the cost of financing the Project under a P3 delivery approach that includes private financing. If ADOT chooses this approach, it plans to reasonably assist proposers in undertaking finance plans that include private activity bonds and/or a TIFIA loan or obtaining other forms of federal assistance which may emerge from future reauthorization legislation.

5. ANTICIPATED PROJECT PROCUREMENT PROCESS

Should ADOT decide to proceed with procurement for the Project, ADOT intends to pre-qualify potential proposers through a RFQ. The RFQ would be followed by a RFP. Only those entities shortlisted by ADOT through the RFQ process would receive an RFP.

The objective of the RFQ phase is to shortlist proposers that best demonstrate that they have the financial ability and the qualifications and experience necessary to complete the Project.

The RFP will be issued to all shortlisted proposers and will include a complete project agreement. In addition, as part of the final RFP process, ADOT will issue any changes to RFP documents by formal amendment to all shortlisted proposers.

The proposers will be required to make management, technical and financial submissions that are compliant with and demonstrate full acceptance of project agreement terms. If the selected project delivery method includes private financing, ADOT may structure the RFP to permit the financial proposals to be backed by a fully committed financing plan.

A proposal bond or letter of credit may be required.

ADOT expects to use a “best value” evaluation approach as well as other selection criteria to award the contract to the proposer. Best value evaluation factors and weightings remain to be determined but potentially will be based on such criteria as technical competency, technical approach, strength of management team, price, risk analysis and/or schedule for Project delivery and completion.

6. PUBLIC-PRIVATE PROJECT DELIVERY

6.1 LEGAL AUTHORITY

The procurement process will be implemented in accordance with ADOT’s policies and procedures and in compliance with applicable State and Federal laws and regulations. ADOT may procure and deliver the Project under its authority to engage in public-private partnerships, as set forth in ARS 28-7701 *et seq.* (the “P3 Law”). The following project delivery methods are authorized for procurements within the scope of the P3 Law:

- Predevelopment agreements leading to other implementing agreements.
- A design-build agreement.
- A design-build-maintain agreement.
- A design-build-finance-operate agreement.
- A design-build-operate-maintain agreement.
- A design-build-finance-operate-maintain agreement.
- A concession providing for the private partner to design, build, operate, maintain, manage, or lease an eligible facility.
- Any other project delivery method or agreement or combination of methods or agreements that the department determines will serve the public interest.

6.2 BENEFITS

ADOT wishes to accelerate the delivery of the South Mountain Freeway and believes that using a P3 delivery model may most effectively support realization of the benefits of acceleration.

The accelerated development of the South Mountain Freeway will create significant benefits for ADOT and the traveling public in and around Maricopa County by:

- Enhancing mobility for area residents;
- Connecting neighborhoods with activity centers;
- Improving access to jobs;
- Accommodating continued growth in population and employment; and
- Supporting future economic growth in the region.

In addition, using a P3 delivery model will enable ADOT to address a number of other key considerations for the Project:

- Allowing appropriate risk sharing – ADOT is aware that delivery of a new freeway system will involve managing risks that may be more efficiently managed by a private partner;

- Maximizing competition and leveraging available public funds;
- Providing greater cost and schedule certainty for ADOT over the long-term; and
- Allowing for alternative project financing opportunities for ADOT.

6.3 SELECTION OF PROJECT DELIVERY METHOD

ADOT is actively evaluating three methods authorized by the P3 Law for delivering the Project on an accelerated schedule. Responses to this RFI will help inform ADOT's decision on which method to pursue if the Project moves forward.

6.3.1 Design-Build-Maintain

This method of project delivery combines accelerated design-build project delivery with a contract for the design-build contractor or an affiliate or team member to provide maintenance of the completed Project for a to-be-determined period after Project completion. ADOT may obtain multiple options of five to ten years each for the maintenance services. ADOT would have the right to exercise the first option any time before a date certain that is likely in the latter half of the construction period, and the right to exercise the later options toward the end of the prior contract period.

The procurement period would include evaluation of combined technical qualifications and plans and combined pricing for both design-build services and maintenance services.

The scope of the design-build services would include completing design, conducting right of way acquisitions and utility relocations, securing many or most governmental permits, and constructing the Project. ADOT will be responsible for NEPA documentation and approvals, and may obtain certain other environmental approvals and permits as may be appropriate. ADOT may provide certain parcels of land as a result of early right of way acquisitions.

The scope of maintenance services will include certain capital maintenance and could encompass routine and preventive maintenance and repair, including landscaping.

ADOT would provide all funding for the capital costs. In order to accelerate the schedule for completing the Project, ADOT may deploy a combination of fully tax exempt RARF sales tax revenue bonds under federal tax law, a TIFIA loan secured by MAG's share of the Highway User Revenue Fund (HURF) and/or other public financing tools.

6.3.2 Design-Build-Finance-Maintain

This method of project delivery transfers substantial long-term Project responsibilities to a private developer. ADOT would select the private developer on a best value basis. The private developer would be responsible for the design-build services described above, as well as maintaining the Project for a period in the range of 25-35 years after opening. Maintenance services would include the full range of routine, preventive, and major maintenance over the term. All work would be done to ADOT's performance specifications and adhere to all applicable public safety requirements.

The private developer also would be responsible for raising the financing for the portion of the Project capital costs that ADOT cannot pay with current and accumulated revenues allocated to the Project.

ADOT would conduct oversight and monitoring to verify the developer's compliance with contract requirements.

At the end of the term, the developer would be obliged to hand the Project back to ADOT in an agreed condition, at which time maintenance would revert back to ADOT.

In exchange for the developer's work, services, and keeping the Project open, available and maintained in compliance with performance standards and specifications, ADOT would pay the developer:

- From accumulated revenues, a series of "milestone payments" during the course of design and construction, including a lump sum payment when substantial completion occurs; and
- A series of payments following Project completion ("availability payments"). The sources of funding for the availability payments are expected to be future RARF sales tax revenues so long as the Proposition 400 half-cent sales tax continues, and after RARF ends in 2026, annually recurring MAG revenues from the HURF, with non-federally sourced HURF revenues as necessary to comply with legal prohibitions on using federal funds to pay TIFIA debt service and routine maintenance costs.

The milestone and availability payments would be subject to reduction due to failure to meet particular performance standards.

If ADOT pursues the Project using a DBFM availability payment form of P3, ADOT expects to provide appropriate covenants to the selected developer regarding budgeting, appropriation and prioritization of these sources for milestone and availability payments, to help assure an investment grade credit rating for the developer's senior debt.

6.3.3 Enhanced Design-Build

This delivery method is identical to that presented above in Section 6.3.3, but would have no maintenance component. It is envisioned that ADOT would utilize the P3 legislation to shift significant risks to a potential private partner, with an eye to assigning project risks to the party in the best position to manage the risks to produce the lowest overall Project cost.

7. CONDITIONS FOR THE SUBMISSION OF INFORMATION

7.1 CHANGES TO THIS RFI

At any time in its sole discretion, ADOT may, by written amendment to this RFI, modify, amend, cancel, and/or reissue this RFI. If an amendment is issued prior to the date information is due, it will be made available on the following website [http://www.azdot.gov/business/engineering-consultants/advertisements/public-private-partnership-\(p3\)-initiatives](http://www.azdot.gov/business/engineering-consultants/advertisements/public-private-partnership-(p3)-initiatives).

7.2 INFORMATION PREPARATION COSTS

ADOT shall not be liable for any costs incurred by any Respondent in the preparation, submission, presentation, or revision of its information and response, or in any other aspect of the Respondent's pre-information submission activity. All such costs shall be borne solely by the Respondent. In no

event shall ADOT be bound by, or liable for, any obligations with respect to the Project until such time (if at all) as ADOT authorizes and executes a written agreement, and then only to the extent set forth in such agreement.

7.3 CLARIFICATION OF RESPONSES

ADOT reserves the option, at its sole discretion, to contact a Respondent to seek clarification regarding information contained in its response, but shall have no obligation to do so. The decision to contact and request clarification from a Respondent rests solely with ADOT. In submitting its response, a Respondent should not assume that it will be provided an opportunity to subsequently clarify or otherwise discuss any feature thereof.

7.4 DISCLOSURE OF INFORMATION CONTENTS

All materials and information submitted in response to this RFI, and any materials delivered to ADOT during one-on-one meetings, are subject to the Arizona Public Records Law, Title 39 ARS, and any other laws, regulations and case decisions applicable to the disclosure of materials and information submitted under this RFI (collectively, the “Public Records Laws”).

Respondents are also advised that the Public Records Laws may exempt certain portions of the responses, such as certain trade secrets and commercial and financial information, from public disclosure and permit confidential treatment by ADOT. If a Respondent has special concerns about the confidentiality of materials and information that it desires to make available to ADOT, but which the Respondent believes is exempted from disclosure under the Public Records Laws, such Respondent shall specifically and conspicuously designate that material and information in writing and by placing “CONFIDENTIAL” in the header or footer of each such page affected, together with a concise written explanation as to why the information is exempt from disclosure. No oral designations of any kind will be accepted. Blanket written designations that do not identify the specific materials and information are not acceptable and may be cause for ADOT to treat the entire response as public information.

ADOT may disclose the contents of all responses to this RFI, except to the extent that a portion of the response may be exempt from disclosure in accordance with applicable Public Records Laws and the instructions provided above. By delivering a response, as well as by registering and participating in a one-on-one meeting with ADOT, each Respondent consents to such disclosure and expressly waives any right to contest such disclosure unless exempt under applicable provisions of the Public Records Laws.

ADOT will not advise a Respondent or other party as to the nature or content of documents entitled to protection from disclosure under the Public Records Laws, as to the interpretation of such laws, or as to the definition of trade secret or other proprietary information. Nothing contained in this provision shall modify or amend requirements and obligations imposed by the Public Records Laws. The provisions of the Public Records Laws shall control in the event of a conflict between the procedures described above and the Public Records Laws.

In the event of any litigation or other proceeding concerning the disclosure of a Respondent’s materials or information or portion thereof submitted to ADOT, the Respondent shall be responsible for

prosecuting or defending such action at its sole expense and risk; provided, however, that ADOT reserves the right, in its sole discretion, to intervene or participate in the litigation or other proceeding in such manner as it deems necessary or desirable. All costs and fees (including attorneys' fees and costs) incurred by ADOT in connection with any litigation, other proceeding or request for disclosure shall be reimbursed and paid by the Respondent whose response is the subject thereof.

In no event shall the State, ADOT or any of their respective agents, representatives, consultants, directors, officers or employees be professionally or personally liable to a Respondent, a Respondent team member, or any other party for the disclosure of any materials or information submitted in response to this RFI or at the Industry Forum, including materials marked "CONFIDENTIAL," whether the disclosure is deemed required by Public Records Laws or by an order of court or occurs through inadvertence, mistake or negligence.

7.5 OWNERSHIP OF SUBMITTED MATERIALS

All materials and information submitted in response to or in connection with this RFI shall become the property of ADOT and will not be returned to the submitting parties. ADOT shall have the right to use such materials and information and ideas set forth therein without restriction.

7.6 RIGHTS OF ADOT

ADOT reserves to itself all rights available to it under applicable law, including but not limited to the unqualified right, at any time and in its sole discretion, to change or modify this RFI, to reject any and all information, to seek clarification of information, to request additional information, and to undertake communications with one or more Respondents or others who, at any time subsequent to the deadline for submissions to this RFI, may express an interest in the subject matter hereof.

No Respondent or any other person or entity shall have any rights against ADOT arising from the contents of this RFI, the receipt of information, or the incorporation in or rejection of information contained in any response or in any other document. ADOT makes no representations, warranties, or guarantees that the information contained herein or on the project website, or in any amendment hereto or thereto, is accurate, complete, or timely or that such information accurately represents the conditions that would be encountered during the performance of any subsequent contract issued from a separate procurement. The furnishing of such information by ADOT shall not create or be deemed to create any obligation or liability upon it for any reason whatsoever; and each Respondent, by submitting its information, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold ADOT liable or responsible therefore in any manner whatsoever.

7.7 ORGANIZATIONAL CONFLICTS OF INTEREST

Respondents are advised that the following entities and individuals are precluded from submitting a response to this RFI and from participating on a Respondent's team in the event of a future solicitation, unless otherwise authorized by ADOT:

- Any consultant firm that has been contracted by ADOT to provide expert professional services in connection with the ADOT Office of P3 Initiatives, P3 Project delivery approach or P3 Project procurement on the SMF, including, but not limited to, HDR, Inc., Jacobs, Inc., CDM Smith, Nossaman LLP and Public Financial Management;

- Any entity that is a parent, affiliate, or subsidiary of any of the foregoing entities, or that is under common ownership, control or management with any of the foregoing entities; and
- Any employee or former employee of any of the foregoing entities who was involved with the P3 Project delivery approach or P3 Project procurement while serving as an employee of such entity.

APPENDIX A - QUESTIONNAIRE

Respondents are invited to return the following questionnaire together with a 1-2 page cover letter to ADOT. Total page count for the questionnaire should not exceed [30] pages, utilizing 12pt Arial type font, inclusive of the cover letter. Please follow the format below.

GENERAL INFORMATION

- 1) Please briefly provide the following descriptive information for the Respondent and its team members (if any). The purpose of this question is to aid ADOT in understanding the identity and business of the Respondent.
 - Name of Respondent and its team members (if any)
 - Describe principal business for Respondent and its team members (if any)
- 2) What potential interest do you represent in relation to the Project (i.e. lead developer, design-build contractor, equity investor, or other)?

INNOVATIVE PROJECT DELIVERY

- 3) ADOT is looking for your ideas and views on how to optimize the delivery of the Project using alternative delivery methods, including (a) design-build-maintain (DBM) (b) design-build-finance-maintain (DBFM) using an availability payment mechanism and (c) Enhanced Design-Build. Respondents are referred to ADOT's three approaches to allocation of responsibilities contained in Section 6.3 above.
 - Do you believe the Project lends itself to an innovative delivery method, like DBM or Enhanced D-B, in which ADOT provides all financing? Why or why not?
 - Do you believe the Project better lends itself to effective use of a DBFM availability payment structure? Why or why not?
- 4) If ADOT pursues a DBFM availability payment structure, how would this affect your willingness or ability to propose on the Project? What modifications would make the opportunity more attractive or result in greater value for ADOT?
- 5) What is the appropriate scope of maintenance responsibility to delegate to the private sector? Are there certain portions of the Project, or certain maintenance activities that are more appropriate to be retained by ADOT? Please explain.
- 6) What do you consider to be the optimal length of the maintenance period under a DBM approach? Please explain.
- 7) What do you consider to be the optimal length of the maintenance period under a DBFM approach? Please explain.

PROJECT SCOPE AND PHASING

- 8) The South Mountain Freeway DEIS incorporates a number of defined segments. ADOT may procure one contract to design and build all segments together. What do you think about this plan?
- 9) If you think a different approach would be better for ADOT, please explain what you believe would be the optimal packaging and phasing of segments for design and construction. In particular, which segments should be prioritized and which may present greater challenges and should be phased for later construction? Please explain.

SCHEDULE

- 10) Please provide comments on ADOT's proposed Project delivery schedule. Does it seem reasonable?
- 11) What in your experience are the critical path items for the Project?

DESIGN

- 12) What are the most important additional surveys and investigations ADOT should consider initiating prior to the start of a procurement process (e.g., geotechnical, utility, environmental)? Based on your experience, how can ADOT best ensure that specific needs of individual proposers are taken into account in any surveys?
- 13) Given the location and nature of the Project, where do you foresee significant opportunities to employ innovative design, construction methods, maintenance regimes and/or materials to acquire efficiencies in cost and schedule?

ENVIRONMENTAL APPROVAL

- 14) How does the status of environmental approvals affect your ability and willingness to bid on the Project?

FINANCING

- 15) If ADOT pursues a DBFM availability payment structure, ADOT is considering the use of up to approximately \$1.2-\$1.4 billion in milestone payments to offset a portion of the funding requirement. Please comment on the benefits and costs of using milestone payments in this approximate amount. Does this level of milestone payments affect your willingness or ability to propose on the Project?
- 16) If ADOT were to use a DBFM availability payment structure, please provide your comments and concerns on the sources of funding for milestone and availability payments described in this RFI.
- 17) What would you recommend to achieve a level of comfort with respect to appropriation risk?

- 18) What do you consider to be the main risks to timely achievement of financial close under a DBFM availability payment structure?

PROCUREMENT

- 19) Do you have any comments on the procurement process based on your experience with other procurements for P3 transportation projects? What are key lessons learned or case studies that ADOT should consider to help ensure a successful outcome?
- 20) What do you think is a reasonable time period for you to prepare a proposal in response to an RFP (a) for a DBM scope of work, (b) for a DBFM scope of work and (c) for an Enhanced D-B scope of work? List any assumptions that you are making in stating this timeframe.
- 21) Indicate whether you consider a reasonable stipend for unsuccessful short-listed, responsive proposers to be a factor in deciding whether to submit a proposal in response to an RFP. If so, indicate what minimum stipend amount is reasonable (a) for a DBM procurement and (b) for a DBFM procurement.
- 22) Indicate the maximum length of time that you would be willing to commit to the terms of your proposal (i.e., 90 days, 180 days, or other). Under what circumstances (i.e., indexation, steel pre-purchase, etc.) would you be willing to commit to a longer timeframe?

RISK ASSESSMENT, ALLOCATION AND MITIGATION

- 23) Recommend specific steps that ADOT could take to motivate innovation and reduce contingency for Project risks – either through an alternative technical concept mechanism in the bid process, risk/reward sharing mechanisms in the Project agreement, or other mechanisms you have utilized on similar projects.
- 24) Comment on your experience with assuming the responsibility, obligation, and risk associated with acquiring right of way. Based on the information provided, do you anticipate that private responsibility for acquisition professional services is a viable option for this Project if the associated land and relocation costs are not included in the proposal price and remain an ADOT risk?
- 25) Do you anticipate that private responsibility for paying the fair market value for parcel acquisitions is a viable option for this Project, particularly if the associated costs are included in the proposal price?
- 26) ADOT is considering shifting a portion of the risk regarding utility relocation and railroad requirements to the private sector as a part of this procurement. Please comment on the advantages/concerns presented as it relates to both schedule and cost risks.
- 27) Provide any specific suggestions and refinements to the allocation of responsibilities that you believe would result in best value for ADOT.